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SUPERIOR COURT

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SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY INTERNATIONAL, a California not-for-profit religious corporation;

Plaintiffs,

vs.

GERALD ARMSTRONG; DOES 1 through 25, inclusive,

Defendants.

GERALD ARMSTRONG,

Cross-Complainant,

-vs-

CHURCH OF SCIENTOLOGY INTERNATIONAL, a California Corporation, CHURCH OF SCIENTOLOGY OF CALIFORNIA, a California Corporation, RELIGIOUS TECHNOLOGY CENTER, a California Corporation, CHURCH OF SPIRITUAL

No. BC 052395

CROSS-COMPLAINT FOR DECLARATORY RELIEF, ABUSE OF PROCESS, AND BREACH OF CONTRACT

COPY

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TECHNOLOGY,)
)
a California Corporation,)
AUTHOR SERVICES, INCORPORATED,)
a California Corporation,)
AUTHOR'S FAMILY TRUST, ESTATE)
OF L. RON HUBBARD, DAVID)
MISCAVIGE, NORMAN STARKEY)
and DOES 1 through 100,)
inclusive,)
)
Cross-Defendants.)
)
)

Cross-Complainant GERALD ARMSTRONG alleges as follows:

PARTIES

1. Cross-Complainant GERALD ARMSTRONG, hereinafter, "ARMSTRONG," is a resident of Marin County, California.

2. Cross-Defendants CHURCH OF SCIENTOLOGY INTERNATIONAL, hereinafter "CSI," CHURCH OF SCIENTOLOGY OF CALIFORNIA, hereinafter "CSC," RELIGIOUS TECHNOLOGY CENTER, hereinafter "RTC," CHURCH OF SPIRITUAL TECHNOLOGY, hereinafter "COST," and AUTHOR SERVICES, INCORPORATED, hereinafter "ASI," are corporations organized and existing under the laws of the State of California, having principal offices and places of business in California and doing business within the State of California within the territorial jurisdiction of this Court.

3. Cross-Defendants AUTHOR'S FAMILY TRUST, hereinafter "AFT," and ESTATE OF L. RON HUBBARD, hereinafter "ERH," are entities that are residents of the State of California.

4. Cross-Defendant DAVID MISCAVIGE, hereinafter "MISCAVIGE," is an individual domiciled in the State of California.

5. Cross-Defendant NORMAN STARKEY, hereinafter

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"STARKEY," is an individual domiciled in the State of California.

6. At all times herein mentioned, each Cross-Defendant was the agent, employee or coconspirator of each of the remaining Cross-Defendants, and in doing the things herein mentioned, each Cross-Defendant was acting within the course and scope of its employment and authority as such agent/ representative/employee/coconspirator, and with the consent of the remaining Cross-Defendants.

7. Corporate Cross-Defendants named in paragraph 2, above, are subject to a unity of control, and the separate alleged corporate structures were created as an attempt to avoid payment of taxes and civil judgments and to confuse courts and those seeking redress for these Cross-Defendants' acts. Due to the unity of personnel, commingling of assets, and commonality of business objectives, these Cross-Defendants' attempts at separation of these corporations should be disregarded.

8. The designation of Cross-Defendants as "churches" or religious entities is a sham contrived to exploit the protections of the First Amendment of the United States Constitution and to justify their criminal, tortious and antisocial acts against ARMSTRONG and their other victims. Cross-Defendant corporations are an international, money-making, politically motivated enterprise which subjugates and exploits its employees and customers with coercive psychological techniques, threat of violence and blackmail. Cross-Defendant corporations, CSI, CSC, RTC, COST and ASI act as one organization and are termed hereinafter as the "ORG."

9. Cross-Defendant MISCAVIGE controls and operates the

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ORG and uses it to enforce his orders and carry out his attacks on groups, agencies or individuals, including the acts against ARMSTRONG alleged herein.

10. Cross-Defendant entities AFT and ERH derive financial benefit from the ORG, participate in its acts against groups, agencies or individuals, including ARMSTRONG, and participate in MISCAVIGE's and the ORG's efforts to avoid payment of taxes and civil judgments and to confuse courts and persons seeking redress of grievances against MISCAVIGE and the ORG.

11. Cross-Defendant STARKEY controls and operates AFT and ERH and uses them in conspiracy with MISCAVIGE to carry out their attacks on groups, agencies or individuals, including the acts against ARMSTRONG alleged herein.

12. Cross-Defendants DOES 1 through 100, inclusive, are sued herein under such fictitious names for the reason that the true names and capacities of said Cross-Defendants are unknown to ARMSTRONG at this time; that when the true names and capacities of said Cross-Defendants are ascertained ARMSTRONG will ask leave of Court to amend this Cross-Complaint to insert the true names and capacities of said fictitiously named Cross-Defendants, together with any additional allegations that may be necessary in regard thereto; that each of said fictitiously named Cross-Defendants claim that ARMSTRONG has a legal obligation to Cross-Defendants by virtue of the facts set forth below; that each of said fictitiously named Cross-Defendants is in some manner legally responsible for the acts and occurrences hereinafter alleged.

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FACTUAL ALLEGATIONS

13. From 1969 through 1981 ARMSTRONG was a Scientologist who devoted his life to Scientology founder, L. Ron Hubbard, the ideals he proclaimed and the Scientology organization he claimed to have built to promulgate those ideals. After leaving Hubbard's and the organization's employ and control in December 1981, ARMSTRONG was declared by the ORG a "Suppressive Person," or "SP," which designated him an "enemy," and became the target of Hubbard's policy of "Fair Game," which states:

> "ENEMY - SP Order. Fair Game. May be deprived of property or injured by any means by any Scientologist without any discipline of the Scientologist. May be tricked, sued or lied to or destroyed." (Hubbard Policy Letter 18 October,1967, "Penalties for Lower Conditions.")

The ORG, using Cross-Defendant herein CSC as Plaintiff, filed a lawsuit, No. C 420153, in the Los Angeles Superior Court against ARMSTRONG on August 2, 1982. ARMSTRONG filed a Cross-Complaint against Cross-Defendants CSC and L. RON HUBBARD September 17, 1982, and a Third Amended Cross-Complaint against Cross-Defendants CSC, CSI, RTC and L. RON HUBBARD July 1, 1983. The Complaint and the Cross-Complaint thereto, hereinafter referred to together as Armstrong I, were bifurcated and the underlying Complaint was tried without a jury in 1984. A Memorandum of Intended Decision was rendered by Judge Paul G. Breckenridge, Jr. June 20, 1984 and entered as a Judgment August 10, 1984. The ORG appealed.

14. During the Armstrong I litigation the ORG carried out a massive and international campaign of Fair Game against

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ARMSTRONG and his lawyer, Michael J. Flynn of Boston, Massachusetts, hereinafter "Flynn," who had been the prime mover in much of the anti-ORG-related litigation throughout the United States. Acts against ARMSTRONG pursuant to Fair Game included assault, an attempted staged highway accident, attempted entrapment, theft of private papers and original artwork, dissemination of information from his confidential "counseling" records, filing false criminal charges on at least five occasions, global defamation, threat of murder, and illegal electronic surveillance. ARMSTRONG learned during the period he was represented in the litigation by Flynn that Fair Game acts against Flynn included attempted murder, theft of private papers, threats against his family, defamation, thirteen frivolous lawsuits, spurious bar complaints, and framing with the forgery of a $2,000,000 check on a bank account of L. Ron Hubbard.

15. In the fall of 1986, while working as a paralegal in the Flynn firm, ARMSTRONG was aware that settlement talks involving all the ORG-related cases in which Flynn was either counsel or party were occurring in Los Angeles, California between Flynn and the ORG. Such talks had occurred a number of times over the prior four years. On December 5, 1986 ARMSTRONG was flown to Los Angeles, as were several other of Flynn's clients with claims against the organization, to participate in a "global settlement." Prior to flying to Los Angeles, ARMSTRONG had reached an agreement with Flynn on a monetary figure to settle Armstrong I, but did not know any of the other conditions of settlement.

16. After ARMSTRONG's arrival in Los Angeles, Flynn showed him a copy of a document entitled "Mutual Release of All

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Claims and Settlement Agreement," hereinafter "the settlement agreement," and some other documents including affidavits, and was advised by Flynn that he was expected to sign them all. Upon reading the settlement agreement ARMSTRONG was shocked and heartsick. (ARMSTRONG hereby waives the attorney-client privilege between him and Flynn only as to their conversations concerning the settlement agreement, the settlement and post-settlement events.) ARMSTRONG told Flynn that the condition of "strict confidentiality and silence with respect to his experiences with the" ORG, since it involved over seventeen years of his life was impossible to perform. ARMSTRONG told Flynn that the liquidated damages clause was outrageous; that pursuant to the agreement ARMSTRONG would have to pay $50,000.00 if he told a medical doctor or psychologist about his experiences from those years, or if he put on a job resume what positions he had held during his organization years. He told Flynn that the requirements of non-amenability to service of process and non-cooperation with persons or organizations adverse to the ORG were obstructive of justice. He told Flynn that agreeing to leave the ORG's appeal of the Breckenridge decision and not respond to any subsequent appeals was unfair to the courts and all the people who had been helped by the decision. ARMSTRONG told Flynn that an affidavit the ORG was demanding that he sign was false, that there had been no management change, that preclear folders were still being culled (as his had been in mid-1986), and that he had the same disagreements with the ORG's Fair Game policies and actions, which had continued without change up to that date. ARMSTRONG told Flynn that he was being asked to betray everything and everyone he

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had fought for against organization injustice.

17. In answer to ARMSTRONG's objections to the settlement agreement Flynn said that the silence and liquidated damages clauses, and anything which called for obstruction of justice were "not worth the paper they [were] printed on." Flynn stated that representation a number of times and in a number of ways; e.g., that ARMSTRONG could not contract away his Constitutional rights; that the conditions were unenforceable. Flynn stated that he had advised the ORG's lawyers that those conditions in the settlement agreement were not worth the paper they were printed on, but that the ORG, nevertheless, insisted on their inclusion and would not agree to any changes. Flynn pointed out to ARMSTRONG the clauses in the settlement agreement concerning his release of his claims against the ORG and the ORG's release of its claims against ARMSTRONG and stated that they were the essential elements of the settlement and what the organization was paying for.

18. Flynn also stated to ARMSTRONG at that time that he was sick of the litigation and the threats to him and his family, and that he wanted to get out. Flynn stated that all the people involved in his side of the ORG-related litigation were sick of it and wanted to get on with their lives. He said that as a condition of settlement he and his co-counsels in the ORG-related litigation had agreed to not become involved in that litigation in the future. Flynn conveyed to ARMSTRONG a hopelessness concerning the inability of the courts of this country to deal with the ORG, its lawyers and their contemptuous abuse of the justice system. Flynn told ARMSTRONG that if he didn't sign the documents all he

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had to look forward to was more years of harassment and misery. When ARMSTRONG expressed his continuing objections to the settlement agreement, Edward Walters, whom Flynn had kept present in the room during this discussion with ARMSTRONG, and who was another of Flynn's clients and a participant in the settling of Flynn's ORG-related litigation, yelled at ARMSTRONG accusing him of killing the settlement for everyone, that everyone else had signed or would sign, and that everyone else wanted the settlement. Flynn told ARMSTRONG that the ORG would only settle with everyone together; otherwise there would be no settlement. Flynn did agree to ask the ORG to include a clause in ARMSTRONG's settlement agreement allowing him to keep his creative works relating to L. Ron Hubbard or the organization.

19. Flynn stated to ARMSTRONG that a major reason for the settlement's "global" form was to give the ORG the opportunity to change its combative attitude and behavior by removing the threat he and his clients represented to it. He said that the ORG wanted peace and unless ARMSTRONG signed the ORG's documents there would be no peace. Flynn stated that the ORG's attorneys had promised that the affidavit ARMSTRONG considered false would only be used by the ORG if ARMSTRONG began attacking it after the settlement. Since ARMSTRONG had no intention of attacking the ORG, and wanted peace for all, he understood that the offensive affidavit would never see the light of day.

20. During ARMSTRONG's meeting with Flynn he found himself facing a dilemma. If he refused to sign the settlement agreement and affidavit all the other settling litigants, many of whom had already been flown to Los Angeles in anticipation of a

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settlement, would be extremely disappointed and would continue to be subjected to organization harassment for an unknown period of time. ARMSTRONG had been positioned as a deal-breaker and led to believe he would lose the support of some, if not all, of the settling claimants, several of whom were key witnesses in his case against the ORG. ARMSTRONG was led to believe that all the lawyers involved in his case desperately wanted out of the ORG-related litigation, and should he not sign the settlement documents would become unhappy and unwilling in their representation of him, which prospect he found very distressing. ARMSTRONG reasoned that, on the other hand, if he did sign the settlement documents all his co-litigants, some of whom he knew to be in financial trouble, would be happy, the stress they felt would be reduced and they could get on with their lives. ARMSTRONG believed that Flynn and his other lawyers would be happy and the threat to them and their families removed. ARMSTRONG believed that the ORG would have the opportunity its lawyers said it desired to clean up its act, start anew and live peacefully. ARMSTRONG was happy to have the litigation end, to have the opportunity to get on with the next phase of his life, to have the financial wherewithal to do so, to not have to testify in all the litigation and to not have to respond to the media's frequent questions. Thus, armed with Flynn's assurance that the conditions he found so offensive in the settlement agreement were not worth the paper they were printed on, and the knowledge that the ORG's attorneys were also aware of that fact, ARMSTRONG put on a happy face and on the following day went through the charade of a videotaped signing. A true and correct copy of the settlement

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agreement is attached hereto as Exhibit A.

21. On December 11, 1986, pursuant to stipulation, Judge Breckenridge issued orders dismissing the Armstrong I Cross-Complaint, directing that the settlement agreement be filed and retained by the clerk under seal, releasing to the ORG all trial exhibits and other documents which had been held by the clerk of the Court, and sealing the entire Court file. Despite the Court's specific order the ORG never filed the Settlement Agreement.

22. On December 18, 1986 the California Court of Appeal, Second Appellate District, Division Three, issued an unpublished opinion dismissing the ORG's appeal from the Breckenridge decision on the ground that there would be no appealable final judgment until after trial of the Armstrong I Cross-Complaint. In the meantime, however, as described above, the ORG had settled the Cross-Complaint with ARMSTRONG.

23. The ORG filed a Petition for Rehearing of its appeal in the Court of Appeal, which was denied January 15, 1987; then a Petition for Review by the California Supreme Court which was denied March 11, 1987. On January 30, 1987 the ORG filed in the Los Angeles Superior Court an "Unopposed Motion to Withdraw Memorandum of Intended Decision," which Judge Breckenridge denied February 2, 1987. On February 9, 1987 the ORG filed a Notice of Appeal from the orders issued pursuant to stipulation by Judge Breckenridge on December 11, 1986.

24. The ORG, and all Cross-Defendants herein, did not desire peace from the December 1986 settlement with ARMSTRONG but an advantage wherein they could continue to attack him without his being able to respond. They removed his lawyers from defending

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him, and used his lead lawyer, Flynn, as their agent to relay to ARMSTRONG threats of litigation and to keep him from responding to their attacks. Immediately following the settlement ORG operatives contacted Beverly Rutherford, one of ARMSTRONG's friends from his pre-Scientology past, to try to get information from her concerning ARMSTRONG of a personal and embarrassing nature to be used against him. Also immediately following the settlement the ORG delivered a pack of documents concerning and attacking ARMSTRONG to reporters Robert Welkos and Joel Sappell of the Los Angeles Times. The ORG has continued from the date of the settlement to collect intelligence information on ARMSTRONG, to consider him an enemy and to treat him as Fair Game. The settlement itself in intention, form, and effect was an act of Fair Game.

25. Although contacted a number of times by the media for statements concerning the ORG or Hubbard in the three years following the settlement, ARMSTRONG did not make any public statements during that period. He attempted to live peacefully and did not respond to ORG attacks, notwithstanding the fact that the attacks caused him great distress, had a great deleterious effect on his life, and caused him to become hopeless about ever really being left in peace by the ORG, its operatives and helots.

26. In the fall of 1987 ARMSTRONG received a document, which had been created and circulated by the ORG to discredit ARMSTRONG and writer Bent Corydon. In this document the ORG accused ARMSTRONG of "numerous false claims and lies," of "incompetence as a researcher," as having "stolen valuable documents from [ORG] archives," and of being part of "a small

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cabal of thieves, perjurers and disreputable sources." Such statements were themselves lies, known to the ORG to be lies, malicious, and intended to destroy ARMSTRONG's reputation and credibility. In this document as well the ORG describes ARMSTRONG's experiences in the organization as Hubbard's archivist and biographical researcher, and discusses aspects of the Armstrong I litigation, all in violation of the letter and spirit of the settlement. The statements in this document concerning ARMSTRONG caused him great emotional distress.

27. On October 7, 1987 ARMSTRONG received a call from Flynn who relayed to him a message from Earle C. Cooley, a principal ORG lawyer, concerning the then proceeding trial in the case of Church of Scientology of California v. Russell Miller and Penguin Books Limited in the High Court of Justice, Case No. 6140 in London, England. According to Flynn, Cooley stated that it had been disclosed during the trial that Miller possessed documents in violation of sealing orders in Armstrong I, and Cooley threatened that if ARMSTRONG talked to any of the attorneys or parties involved in the trial the ORG would view it as a breach of the settlement agreement. ARMSTRONG took this message as a very real threat, as an act of Fair Game, and was emotionally shocked by it. ARMSTRONG did not know at that time that the ORG was filing affidavits in the Miller case attacking him and accusing him of the alleged sealing order violations.

28. In early 1988 ARMSTRONG received a number of affidavits the ORG had filed in Miller, which accuse ARMSTRONG of, inter alia, retaining documents in violation of a Los Angeles Superior Court order, providing documents to Russell Miller in

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violation of a court order, and violating court sealing orders. The affidavits, moreover, accuse ARMSTRONG of being "an admitted agent provocateur of the U.S. Federal Government who planned to plant forged documents in [ORG] files which would then be "found" by Federal officials in subsequent investigations as evidence of criminal activity," and of intending to "plant forged documents within the [ORG] and then using the contents to get the [ORG] raided. All of the ORG's accusations regarding ARMSTRONG in the affidavits filed in Miller are false, known by the ORG to be false, malicious and intended to destroy ARMSTRONG's credibility. The act of threatening ARMSTRONG with a lawsuit if he communicated with attorneys in the Miller case while the ORG was filing perjurious affidavits about him in that case is a criminal obstruction of justice. This strategy caused and continues to cause ARMSTRONG terrible emotional distress. It demonstrates the ORG's hatred for ARMSTRONG, its cynical abuse of the processes of justice, its unrelenting determination to destroy ARMSTRONG, its complete disregard for the truth, and its disregard for ARMSTRONG's mind, spirit or feelings. ARMSTRONG has proven over and over to the ORG that its accusations are false, but the ORG has not corrected the falsehoods wherever they have been uttered or written but has continued to spread its lies about ARMSTRONG in pathological defiance.

29. The ORG's affidavits filed in Miller also contain descriptions of ARMSTRONG's experiences in the organization and conditions of the settlement agreement. At the same time the ORG demanded that ARMSTRONG not discuss his own experiences or conditions of settlement on penalty of $50,000.00 an utterance.

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The ORG, while falsely accusing ARMSTRONG in Miller of sealing order violations, itself filed documents in the case straight out of the sealed Armstrong I file. These are samples of the ORG's perversions of rationality, abuse of the legal process and malicious duplicity that have continued as the ORG's modus operandi in its legal relationship with ARMSTRONG since the settlement. These perversions and abuses are intended, pursuant to the ORG's policies of hatred in action, to bring about ARMSTRONG's mental disintegration and total destruction. They are conscious and premeditated acts by the ORG of Fair Game. These acts have caused ARMSTRONG great anguish and threatened his peace and capacity to live a normal life.

30. Also in October 1987 ARMSTRONG received a call from a reporter from the London Sunday Times who advised him that ORG representatives had given the newspaper a pack of documents concerning him. The reporter said that the ORG representatives were claiming that ARMSTRONG was an agent provocateur who tried to plant forged documents in the organization and wanted to destroy the scientology religion. The reporter also said that the ORG representatives had given the newspaper a videotape of ARMSTRONG they claimed showed him conspiring to overthrow ORG management. ARMSTRONG was extremely distressed by what the reporter told him the ORG had done; nevertheless he told the reporter that although he considered the ORG's attacks violated the settlement agreement he would not respond to them.

31. On December 21, 1988 ARMSTRONG received a call from Flynn who relayed a message from Michael Lee Hertzberg, one of the organization's leading lawyers. Flynn stated that Paul Morantz,

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Bent Corydon's attorney in the case of Corydon v. CSI, Los Angeles Superior Court case no. C 694401, had filed a motion to unseal the Armstrong I court file. Judge Bruce R. Geernaert, who had inherited the Armstrong I case after Judge Breckenridge retired, allowed the unsealing. Flynn told ARMSTRONG that the ORG had thirty days to appeal and wanted ARMSTRONG to file a pleading to keep the court file sealed, and that if he didn't the "pig document" would come out. This document, which was specifically sealed by Judge Breckenridge in Armstrong I, was the recitation of a dream ARMSTRONG had had in 1985. ARMSTRONG had sent it to Dan Sherman, a writer ARMSTRONG had been led to believe in 1984, as a result of an ORG intelligence operation, hereinafter "Armstrong Operation," designed to entrap him and destroy his reputation, was helping his writing career by critiquing his literary efforts. Sherman, whom the ORG was controlling in the Armstrong Operation through blackmail, turned ARMSTRONG's dream over to his ORG handlers. The ORG filed the dream in Armstrong I as proof that ARMSTRONG was "a pathetic and troubled individual who engaged in one illegal or deviant act after another." Flynn also told ARMSTRONG during his December 21 call that Hertzberg had said that if ARMSTRONG didn't file a pleading it would unsettle the settlement and that Hertzberg said he had a case on point. Flynn told ARMSTRONG that Hertzberg said it would be bad for him; that ARMSTRONG could have to give back the settlement money. Flynn told ARMSTRONG that Hertzberg's message was "a veiled threat." Although ARMSTRONG was grief-stricken by this threat he stated to Flynn that his decision was to do nothing.

32. On December 27, 1988 ARMSTRONG spoke again by phone

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with Flynn, who said that after Judge Geernaert's unsealing of the Armstrong I court file the ORG filed a notice of appeal from the Geernaert ruling and a petition for a writ of supersedeas, claiming the file's sealing was consideration for settlement. In his response Morantz had filed some settlement documents, a notary seal from the State of Pennsylvania on which identified William Franks, like ARMSTRONG a former organization executive and witness in various ORG-related cases, as their source. Franks had sent the documents to a lawyer to look at and that lawyer had sent them to another lawyer who had given them to Morantz. Flynn said to ARMSTRONG that the ORG has reacted, claimed to have "the smoking gun," the proof of settlement agreement violations. Flynn said that the ORG knew that during the previous summer Franks had spent time with Richard and Vicki Aznaran, ORG executives who had defected and filed a lawsuit against it, and the ORG had some instance of Homer Schomer doing something three weeks before this conversation with ARMSTRONG. Flynn advised ARMSTRONG that he was going to file a pleading to say that the settlement documents should remain sealed. ARMSTRONG said to Flynn that he felt the file should be unsealed, that it would almost certainly be unsealed at some point, but that he would not file a pleading at that time. Around November 15, 1989 ARMSTRONG received from Toby Plevin a copy of the document Flynn had filed against Armstrong's wishes entitled "Response of Gerald Armstrong to Opposition Filed By Real Party in Interest, Bent Corydon."

33. On October 11, 1989 ARMSTRONG was served with a deposition subpoena duces tecum which had been issued by Toby Plevin, an attorney representing Corydon in his litigation against

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the ORG. Within a few days of this service Plevin called ARMSTRONG to confirm that the deposition venue was acceptable and advise him that the October 20 deposition date would probably be changed, and to ask him for alternative dates which would be convenient for him. ARMSTRONG spoke with Plevin two or three times over the next week to set or cancel dates. During one conversation Plevin informed ARMSTRONG that she had received "a threatening letter" concerning ARMSTRONG's deposition from ORG lawyer Lawrence Heller. Plevin read to ARMSTRONG parts of Heller's letter in which he stated that it was inconceivable that ARMSTRONG had any information relevant to Corydon's lawsuit, that Plevin was seeking to breach the settlement agreement by proceeding with ARMSTRONG's deposition, and that should it ever go forward he would apply to the court for sanctions. At this point ARMSTRONG realized that he was viewed as very important to both sides in the Corydon litigation, that he was again intensely involved with the ORG and could not avoid involvement.

34. On October 23, 1989 ARMSTRONG received a call from Heller who stated that the ORG would seek a protective order to prevent the deposition from going forward but that it probably would anyway. Heller asked ARMSTRONG if he would have an attorney at the deposition, and ARMSTRONG said that Michael Flynn did not wish to be involved, that so far he did not have another attorney for the deposition, and that it was likely that he would not. Heller offered to have the ORG pay for an attorney for ARMSTRONG to be present at the deposition. ARMSTRONG asked Heller if it could be any attorney of his choice, and Heller stated that he didn't see any problem but would need to ensure that the attorney

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did what the ORG wanted. He said that to maintain the settlement agreement ARMSTRONG could only answer questions by court order, that ARMSTRONG should refuse to answer the deposition questions and force Corydon to get an order from the court compelling ARMSTRONG to answer. ARMSTRONG told Heller that he would think about the problem and get some advice. Heller gave ARMSTRONG his phone number and asked ARMSTRONG to call him back within two days.

35. Following his conversation with Heller, ARMSTRONG called Flynn and informed him of Heller's call and offer. Flynn said that Heller had called him earlier and offered to pay him to attend ARMSTRONG's deposition to prevent his testifying. Flynn said that he had refused Heller's offer and reiterated that he did not wish to be involved in any way in ORG-related litigation. ARMSTRONG confirmed with Flynn that nothing in the settlement agreement proscribed his obtaining assistance or advice from anyone currently involved in litigation against the ORG. ARMSTRONG then called Plevin, told her of Heller's offer to have the ORG pay for an attorney for him at the deposition, and asked her if she and Corydon could match the offer. Plevin stated that she was a sole practitioner, that she and Corydon were keeping his lawsuit going "on a shoestring," and that even if they could afford it they would not pay for an attorney for ARMSTRONG because it would be unethical.

36. On October 25, 1989 ARMSTRONG called Heller to tell him he considered it inappropriate for the ORG to pay for an attorney for him. Heller told ARMSTRONG that he had a problem with ARMSTRONG responding to deposition questions concerning such things as L. Ron Hubbard's misrepresentations or ARMSTRONG's

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period as Hubbard's archivist in the organization. Heller said he wanted to have an attorney present to instruct ARMSTRONG not to answer such questions so that Corydon would have to move to compel an answer. Heller said that if the court ordered sanctions for ARMSTRONG's refusal to answer, the ORG would indemnify him. Heller said that ARMSTRONG had a contractual obligation to the ORG, which it had paid a lot of money for, not to divulge confidential information, and that if ARMSTRONG did answer deposition questions he would have breached the settlement agreement and may get sued. Heller said that he realized that ARMSTRONG was in the middle and that his safest position was to refuse to answer, make Corydon bring a motion to compel and let the court be the final arbiter.

37. Heller's threats, the earlier threats and ORG post-settlement attacks described above, ARMSTRONG's understanding of his importance to and involvement with the ORG, and his knowledge of the ORG, its fraud and Fair Game, moved him at that time to protect himself by taking a stand against the ORG's antisocial acts. ARMSTRONG's own lawyer, even though compromised, had advised him that the restrictive conditions of the settlement agreement were unenforceable, yet the ORG was attempting to enforce them in a manner which was inconsistent with the spirit of settlement. ARMSTRONG viewed the conditions and their attempted enforcement as an ongoing obstruction of justice and violation of his and others' Constitutional rights, and he began to assemble documentation and prepare a declaration to oppose these ORG abuses.

38. On November 1, 1989 Heller, on behalf of ORG entity

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ASI, a defendant in Corydon, filed a motion "to Delay or Prevent the Taking of Certain Third Party Depositions," relating to the depositions of Homer Schomer and ARMSTRONG. Heller states in the motion:

> "One of the key ingredients to completing these settlement, insisted upon by all parties involved, was strict confidentiality respecting: (1) the Scientology parishioner or staff member's experiences within the Church of Scientology; (2) any knowledge possessed by the Scientology entities concerning those staff members or parishioners; and (3) the terms and conditions of the settlements themselves."

39. On November 18, 1989 ARMSTRONG received a copy of a videotape edited from illegal videotapes of him made in 1984 by ORG intelligence operatives and used thereafter against him. This copy had been given to the London Sunday Times, along with a package of documents concerning ARMSTRONG by ORG operatives. Taped to the video cassette was the business card of Eugene M. Ingram, the ORG's private detective who had set up the illegal videotaping. Ingram had also, in 1984, in a telephone call to ARMSTRONG threatened to "put a bullet between [his] eyes." Ingram is well-known by ORG victims as a vicious, dishonest bully, and is reputed to have been thrown off the Los Angeles Police Department for pimping, pandering and cocaine use.

40. On November 20, 1989 ARMSTRONG received a call from Heller who said he wanted to talk ARMSTRONG into giving the ORG a declaration. Heller said Homer Schomer, who had also been subpoenaed to testify at a deposition in Corydon had given the ORG

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a declaration. Heller said that it was very simple and straightforward, just two things: that ARMSTRONG had either no or minimal contact with Corydon in the organization, and that subsequent to leaving he had received no information about Corydon. Heller said that ARMSTRONG's signing a declaration to help ensure the deposition doesn't go forward would be of assistance to the ORG and ARMSTRONG. Heller said that if ARMSTRONG's deposition went forward they would both have hassles. ARMSTRONG told Heller that it would be inappropriate and he couldn't give Heller a declaration. ARMSTRONG told Heller that he knew Corydon quite well. Heller said that he and the ORG did not see ARMSTRONG as a relevant witness but a way for Corydon's attorneys to leverage a settlement. ARMSTRONG told Heller that he saw himself as a relevant witness, and that "from everything I've seen that's going on and everything I've heard that's going on and knowing my history and the issues I cannot see ducking (the deposition) at all. The truthful declaration would be that I would see that my experiences and my knowledge of Bent would be relevant to his case." Heller said that if ARMSTRONG thought he would be helping Bent Corydon by appearing, he might, but that for sure Corydon would never help ARMSTRONG. Heller said that only the ORG would ever help him. Heller said that ARMSTRONG should assist the ORG because it had honored its agreement. He said that the ORG had signed a non-disclosure agreement as well and as far as he knew had lived up to its agreement. When ARMSTRONG paused in answering, Heller said that if there had been any violations he wanted to know and he would rectify the problem. ARMSTRONG stated, "I think you could check with Ken Long on what has been

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done regarding Gerald Armstrong subsequent to the settlement. Just get from him everything that's been filed regarding Armstrong, all his declarations regarding me, all the so-called false report corrections that have been put out subsequent to the settlement, any time the so-called Armstrong Operation videotape has been used subsequent to the settlement." Heller reiterated at the end of the conversation that if ARMSTRONG started to testify, for example about the Hubbard biography project, or things he and the ORG considered irrelevant, they would carefully examine their rights as to what action they will take. He said that he strongly suggested that ARMSTRONG refuse to answer subject to attorney instruction. He told ARMSTRONG that he had a contractual obligation as far as he could tell.

41. On November 30, 1989 ARMSTRONG attended a hearing in Corydon of the ORG's motion to prevent his deposition from going forward. While at the hearing he was served with a subpoena duces tecum ordering him to appear as a witness in the trial of Religious Technology Center v. Joseph A. Yanny, Los Angeles Superior Court Case no. C 690211. On February 15, 1990 ARMSTRONG received a call from one of Michael Flynn' partners, attorney Michael A. Tabb, who said he had been called by Heller who told him that the ORG considered ARMSTRONG had violated the settlement agreement by being in the courthouse to be served in Yanny, that they intended to prove it, and that he would be sued.

42. On January 18, 1990 ARMSTRONG received from Flynn, Sheridan and Tabb, a copy of Appellants' Opening Brief which the ORG had filed December 21, 1989 in appeal no. B025920 in Division Three of the Second Appellate District in the California Court of

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Appeal. In this appeal, the notice of which had been filed February 9, 1987, the ORG sought a reversal of the 1984 Breckenridge decision. On January 30, 1990 ARMSTRONG received from Flynn, Sheridan & Tabb the Reply Brief of Appellants and Response to Cross-Appeal filed in Division Four in the Second Appellate District in an appeal entitled Church of Scientology of California and Mary Sue Hubbard, Appellants, against Gerald Armstrong, Defendant; Bent Corydon, Appellee, No. B038975. In this appeal the ORG sought a reversal of Judge Geernaert's ruling unsealing the Armstrong I court file.

43. Although and because the settlement agreement prohibited ARMSTRONG from opposing in any way any of the appeals the ORG might take, he filed a Petition for Permission to Respond in the B025920 Division Three appeal February 28, 1990, and in the B038975 Division Four appeal March 1, 1990. The Division Three Court granted Armstrong's petition March 9, and he filed a Respondent's Brief July 9, 1990 in that appeal. On April 9, 1990 the B038975 appeal was transferred to the Division Three Court, which on October 16, 1990 granted Armstrong's petition to respond in that appeal, and Armstrong filed a responding brief December 28, 1990. The Division Three Court consolidated the two appeals and issued its opinion July 29, 1991, upholding the Breckenridge decision and denying the Geernaert ruling as to public access. Corydon had already had access and had copied approximately 20 inches of documents from the Court's file.

44. Although Armstrong attempted to abide by the spirit of settlement and bring peace to his relationship with the ORG, he was driven back into its litigations and compelled to combat its

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antisocial practices because of its post-settlement attacks on his character and credibility, its threats of litigation or exposure of incidents from his past that the ORG considered embarrassing to him or useful in controlling him, its own violations of the settlement agreement, and its use of the agreement to obstruct justice. Armstrong's first act of confrontation was filing the two petitions for permission to respond to the ORG's appeals in the Court of Appeal. The ORG filed an opposition to ARMSTRONG' petition in the B025920 appeal, but the Division Three Court had already granted the petition. The ORG filed an opposition in the B038975 appeal in Division Four, and Armstrong filed a Reply thereto March 23, 1990. Armstrong supported his reply with a declaration he executed March 15, 1990 in which he detailed the ORG's attacks on him, its threats and its settlement agreement violations known up to that time.

45. ARMSTRONG's March 15, 1990 declaration was filed on March 19, 1990 as an exhibit to a motion brought by Toby Plevin in the Corydon case for an order directing non-interference with witnesses. On March 27, 1990 the ORG filed an opposition to Corydon's motion, supported by declarations of Lawrence Heller dated March 27 and Kenneth Long dated March 26. Heller states in his declaration:

> "The confidentiality provisions of the Armstrong Settlement Agreement are nor (sic) reciprocal in nature. Mr. Armstrong does have duties of confidentiality under the terms of the Armstrong settlement [ ]. However, there are no reciprocal duties of confidentiality under the terms of the Armstrong

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Settlement Agreement that apply to any of the [ORG] parties in the settlement. [ ] An important part of the Armstrong settlement was that the [ORG] was not bound by the same confidentiality provisions as Armstrong and that the [Org] parties remain free to comment upon and use information pertaining to Mr. Armstrong's experiences in the [ORG]. At the time of the settlement, information from Mr. Armstrong was being used in a number of cases around the world. It was important to the [ORG] parties to the Armstrong settlement that they remain free to defend themselves against allegations supported by information originating from Armstrong prior to the settlement. I discussed this aspect of the confidentiality provisions the (sic) settlement agreement with Armstrong's counsel, Michael J. Flynn, during my settlement negotiations with him in 1986 and it was clearly understood by both sides of the negotiations that the confidentiality provisions were not to be reciprocal. Any assertions now being made by Armstrong (sic) are false."

Heller also states in his opposition:

"[A]n important part of the Settlement Agreement revolved around the continuing ability of the [ORG] to refute the often bizarre allegations made by Mr. Armstrong. Thus, this issue was addressed during the settlement negotiations, with the result that no (emphasis in original) clause was included in the agreement preventing the Church from such action."

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Heller's lies to ARMSTRONG, his lies in sworn declarations about the reciprocality of the settlement agreement, the trap ARMSTRONG had been placed in by the ORG and his own attorney, who, because of ORG Fair Game tactics, had deserted him while setting him up him to be a defenseless ORG punching bag caused ARMSTRONG great distress and grief.

46. In his March 27 1990, declaration and in the opposition Heller denied that the three telephone calls with ARMSTRONG occurred, denied offering to have the ORG pay for an attorney at ARMSTRONG's deposition in Corydon, denied offering to indemnify ARMSTRONG for sanctions which might be imposed by the court, and denied threatening ARMSTRONG with litigation. These denials are lies and caused ARMSTRONG fear and emotional upheaval.

47. In his March 26, 1990 declaration, Kenneth Long, the ORG staff member who had executed a number of the affidavits concerning ARMSTRONG which were filed in the Miller case, stated:

> "In January, 1987, following settlement of Scientology (sic) of California ("CSC"), Armstrong turned over to CSC all [ORG]-related documents in his possession. I personally inspected the documents turned over by Armstrong, and found a number of copies of the documents which Armstrong had previously sworn that he had surrendered to the Clerk of the Court. [ ] Based on my discovery of these documents, I concluded that Armstrong had intentionally perjured himself on numerous occasions, and had as well knowingly violated orders issued by judges at all levels ranging from the Los Angeles Superior Court to the Supreme Court of the

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United States."

Long's statement is false, reckless and malicious and caused ARMSTRONG great distress. Long stated as well that his affidavits attacking ARMSTRONG in Miller were necessary "to detail the elements of the breach of confidence against Miller and Penguin, and the claim could not have been brought without explaining the underlying actions taken by Armstrong." The attacks on ARMSTRONG in Miller while his lawyer was used by the ORG to relay its threat of suit should he defend his reputation in that case, and the follow up attacks in Corydon were psychologically devastating to ARMSTRONG.

48. On March 21, 1990 ARMSTRONG spoke by phone with Michael Flynn, who said that he had been called by Lawrence Heller two or three weeks before. Flynn said that Heller told him that ARMSTRONG was right then sitting in the courtroom at the Yanny trial and he asked Flynn to call ARMSTRONG and tell him that if he testified in Yanny he would be in violation of the settlement agreement and would be sued. Flynn told ARMSTRONG that he told Heller no. ARMSTRONG had been present at the Yanny trial March 5, 1990.

49. On April 4, 1990 ARMSTRONG was served with a subpoena duces tecum from ORG entities ASI and Bridge Publications, Inc. ordering the production at a deposition in Corydon on April 24 of any sound recordings or other records he possessed of his telephone conversations with Heller. At the deposition ARMSTRONG produced his notes from the October 23 and 25 and November 20, 1989 conversations and a transcript of a recording of ARMSTRONG's side of the November 20 conversation.

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50. In early April, 1990 ARMSTRONG received a call from ORG lawyer Eric Lieberman who suggested to ARMSTRONG that World War III would happen if he continued to speak out against the ORG in violation of the settlement agreement. ARMSTRONG related to Lieberman a list of the ORG's post-settlement attacks on ARMSTRONG in violation itself of the agreement. Lieberman dismissed ARMSTRONG's grievances as insignificant and old. Nevertheless, because Lieberman had said that World War III might depend on what ARMSTRONG did at that time, on April 9, 1990 he wrote to the ORG to initiate a dialogue and attempt to resolve the conflict. This and all ARMSTRONG's attempts at achieving peace with honor have been rejected or ignored by the ORG.

51. On July 8, 1988 the Internal Revenue Service issued a document entitled "final adverse ruling" to Cross-Defendant herein COST denying its application for tax exempt status. In that ruling the IRS states:

> "In support of the protest (protest conference was held in January 1987) to our initial adverse ruling, we were supplied with copies of affidavits dated December 4, 1986, from Gerald Armstrong and Laurel Sullivan. Ms. Sullivan was the person in charge of the MCCS project (the ORG's "Mission Corporate Category Sort-out," the purpose of which was to devise a new organizational structure to conceal L. Ron Hubbard's continued control). The affidavits state that the new church management 'seems to have returned to the basic and lawful policies and procedures as laid out by the founder of the religion, L. Ron Hubbard.' The

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affidavits conclude as follows: 'Because of the foregoing, I no longer have any conflict with the Church of Scientology or individual members affiliated with the Church. Accordingly I have executed a mutual release agreement with the Church of Scientology and sign this affidavit in order to signify that I have no quarrel with the Church of Scientology or any of its members.'"

The ORG filed the ARMSTRONG affidavit in the COST case for the purpose of destroying his credibility. It filed the affidavit in express violation of the representation the ORG had Flynn make to ARMSTRONG that it would never be used unless ARMSTRONG attacked the ORG after settlement. The ORG has now, as a result of ARMSTRONG's claim that the affidavit is substantially false, publicly accused ARMSTRONG of perjury for the ORG's subornation. The betrayal that resulted in the ORG's filing of the affidavit, the use of the courts in such a cynical manner, and the terrifying campaign to destroy ARMSTRONG's reputation and sanity, which this affidavit now signifies, have left ARMSTRONG emotionally branded for life.

52. In August 1990 ARMSTRONG, acting out of faith that he was so guided, gave away all his assets, including his one hundred percent ownership of the outstanding shares of The Gerald Armstrong Corporation, and forgave all debts owed him. Thereafter he attempted to accept guidance as reason for doing what he did; that is what he was called to do. He has several areas of expertise and knowledge in which his help has been and may be called for. Because of his history, knowledge and willingness, he has been called on by various people to help them against ORG

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tyranny or chicanery. It is his determination to promote justice and peace wherever he goes and in no matter what he is called upon to do.

53. In June 1991, while visiting relatives in Canada, ARMSTRONG received a call from Malcolm Nothling in South Africa asking for his help in the trial of a lawsuit Nothling had against the ORG in that country. From listening to Nothling ARMSTRONG evaluated that he could be helpful in the case, and felt compelled to help because Nothling had not been able to get anyone else in the world to help. ARMSTRONG then wrote Eric Lieberman on June 21, 1991 in the hope of peacefully settling what ARMSTRONG had come to understand generally as the Scientology conflict, and the Nothling case specifically. Lieberman wrote back rejecting ARMSTRONG's attempt to resolve the conflict peacefully. The ORG is presently publicly accusing ARMSTRONG of fomenting litigation, hatred and ill-will toward the ORG with his June 21, 1991 letter to Lieberman. But it is the ORG which has fomented all its litigation, by its use of the courts to attack its perceived enemies, by continuing abuse of its employees and customers and by its repugnant policies such as Fair Game. In truth ARMSTRONG has consistently urged the ORG to end all its litigation, get out of the "litigation business", and solve its problems with its victims and "enemies" with honest efforts, open communication and decency.

54. In July, 1991 ARMSTRONG received a call asking for help from Joseph A. Yanny who had just become the attorney for Richard and Vicki Aznaran in the case of Aznaran v. CSC, et al., in United States District Court, Central District of California, No. CV-88-1786-JMI(Ex), after the ORG had tricked the Aznarans

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into firing their former attorney in the case, Ford Greene. ARMSTRONG travelled to Los Angeles, and assisted Yanny by writing two declarations for use in the Aznaran case, by providing understanding of the psychological battle the ORG waged against its victims and enemies, and by encouraging truth and honor. ARMSTRONG could stay only a few days in Los Angeles because he was scheduled to fly to South Africa to help Malcolm Nothling in his quest for justice. While en route to South Africa ARMSTRONG learned from Yanny that Yanny had been sued by the ORG in connection with his relationship with ARMSTRONG. While between planes in New York ARMSTRONG wrote a declaration detailing why he helped Yanny, his guided calling and what he did on the Aznaran case.

55. The ORG's lawsuit against Yanny, RTC, CSI and CSC v. Yanny, Los Angeles Superior Court No. BC 033035, charged Yanny, who had formerly been an ORG lawyer, with representing ARMSTRONG in litigation against the ORG. Although ARMSTRONG, who is a writer and artist, had consulted Yanny regarding literary and intellectual property matters, Yanny had never represented ARMSTRONG in any matter regarding the ORG and ARMSTRONG had never consulted with Yanny regarding his ORG-related legal problems. The ORG invented the charges against Yanny and ARMSTRONG in the Yanny case, pursuant to its policy of manufacturing threats against its perceived enemies. It used its manufactured charges to attack ARMSTRONG in Yanny, Aznaran and in the instant litigation, hereinafter Armstrong II. It used its manufactured charges to attack ARMSTRONG's Church and religion, and abuse him with foundationless depositions of himself, his lawyer Ford Greene

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and his friend Lorien Phippeny in Yanny, designed to hurt ARMSTRONG financially, harass him and waste his time.

56. In August 1991 while in South Africa ARMSTRONG was informed by Stuart Cutler, Malcolm Nothling's lawyer that the ORG had provided ARMSTRONG's 1985 dream, which had been tricked from him by ORG operative Dan Sherman, to the ORG's South African legal representatives for use against ARMSTRONG in the Nothling litigation. This document had been specifically sealed in the Armstrong I case, and its dissemination in South Africa caused ARMSTRONG great embarrassment and emotional distress.

57. On August 12, 1991 the ORG filed a lawsuit against 17 agents of the IRS, case no. 91-4301-SVW in United States District Court, Central District of California for more than $120,000,000.00. The ORG used therein a false rendition of the 1984 illegal videotaping of ARMSTRONG, which videotape had been sealed in the Armstrong I court file. The ORG stated in its complaint:

> "The infiltration of the [ORG] was planned by the LA CID along with former [ORG] member Gerald Armstrong, who planned to seed [ORG] files with forged documents which the IRS could then seize in a raid. The CID actually planned to assist Armstrong in taking over the [ORG] hierarchy which would then turn over all [ORG] documents to the IRS for their investigation."

The ORG knew that these accusations were false, knew that ARMSTRONG knew they were false, knew that Judge Londer, presiding at the 1985 trial in the case of Julie Christofferson v. Scientology in Portland, Oregon, had ruled that the illegal

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videotapes of ARMSTRONG, which the ORG first "broke" in that case to destroy ARMSTRONG's credibility, contrary to the ORG's accusations were "damaging to the [ORG]," and knew that the Christofferson jury, which awarded plaintiff $39,000,000.00 in that case, when polled regarding the videotapes of ARMSTRONG stated that they proved, not that ARMSTRONG had done anything wrong but that Fair Game was alive and kicking in 1985. The ORG's continuing malicious and perverse use of the Armstrong Operation videotapes, in the face of immense official and public opinion that they simply demonstrate Fair Game, is a mad effort to pretend blindness to the truth and through the apparent blindness and recklessness to bring about ARMSTRONG's psychological disintegration.

58. Upon his return to the United States from South Africa Armstrong visited the law office of Ford Greene who asked for his help. Armstrong, who is a trained paralegal, and lived in the same Marin County town as Greene, agreed to help him, and has been working with him from that time until the present. The moment he began working in Greene's office the ORG began to terrorize him with constant surveillance by ORG intelligence operatives, illegally videotaped him, embarrassed him, caused disturbances in the neighborhood of Greene's law firm, and caused him to fear for his life. The ORG has a reputation of using its intelligence operatives or private investigators to assault its perceived enemies, frame them, entrap them, terrorize them, lie about them, and steal from them. ORG agents, including Hubbard's wife, Mary Jane Hubbard, have been convicted of crimes including burglary, theft, and obstruction of justice. Judge Breckenridge in

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Armstrong I, had found that:

> "Defendant Armstrong was the subject of harassment, including being followed and surveilled by individuals who admitted employment by [the ORG]; being assaulted by one of these individuals; being struck bodily by a car driven by one of these individuals; having two attempts made by said individuals apparently to involve Defendant Armstrong in a freeway automobile accident; having said individuals come onto Defendant Armstrong's property, spy in his windows, create disturbances, and upset his neighbors."

The August 1991 terrorizing of ARMSTRONG by ORG operatives was intended to and caused ARMSTRONG unbelievable shock and emotional distress.

59. ARMSTRONG called and wrote to ORG lawyer Eric Lieberman on August 21 and 22, 1991 protesting the surveillance, videotaping and ORG terror tactics. Lieberman never responded, but the ORG responded with renewed attacks on ARMSTRONG, filing perjurious declarations about him in the Aznaran case accusing him of, inter alia, being in Greene's office (during the period when he had been in South Africa), of being employed by Joseph Yanny while working for Greene, and of being Yanny's extension in the Aznaran case. The ORG used these lies in a series of attempts to have the Aznaran case dismissed, and in further attempts to destroy ARMSTRONG's credibility and his capacity to defend himself from the ORG's attacks. The ORG also filed perjurious declarations in Aznaran concerning the illegal 1984 Armstrong operation, claiming, inter alia, that the operation was a police-

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sanctioned investigation, that ARMSTRONG was plotting against the ORG and seeking out staff members who would be willing to assist him in overthrowing its leadership, and that ARMSTRONG's theory of litigation against the ORG was to fabricate the facts. These lies were used in a series of attempts to deny the Aznarans justice and to attack ARMSTRONG's credibility and leave him defenseless before the ORG's assault. The ORG moreover used in these attempts transcripts of the illegal 1984 videotaping of ARMSTRONG which had been sealed in the Armstrong I court file. The ORG knew its lies filed in the Aznaran case regarding ARMSTRONG were lies, knew if was using sealed documents to attack ARMSTRONG, knew that such caused ARMSTRONG great emotional distress, and knew that its acts in Armstrong I had caused him emotional distress for which it had paid ARMSTRONG a significant sum of money. The ORG's statements filed in Aznaran regarding ARMSTRONG were malicious and an abuse process. ARMSTRONG filed a declaration in Aznaran dated September 3, 1991 detailing the lies the ORG had up to that time filed about him in that case and stating the truth of the matters. On June 22, 1992, Judge Ideman, presiding in the Aznaran case denied all the ORG's motions in which it had filed its attacks on ARMSTRONG.

60. On October 3, 1991 the ORG, using CSC, CSI and RTC as Plaintiffs, filed a motion in Los Angeles Superior Court in the Armstrong I case to enforce the settlement agreement in which it charged that ARMSTRONG's declaration in Aznaran which rebutted the ORG's lies filed about him in that case was a violation of the settlement agreement. That motion, in which the ORG sought from ARMSTRONG $100,000.00 in damages for his responses to ORG attacks, was denied on December 23, 1991 by Judge Geernaert, who stated

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during the hearing of that date:

" So my belief is Judge Breckenridge, being a very careful judge, follows about the same practice and if he had been presented that whole agreement and if he had been asked to order its performance, he would have dug his feet in because that is one of the [ ] most ambiguous, one-sided agreements I have ever read. And I would not have ordered the enforcement of hardly any of the terms had I been asked to, even on the threat that, okay the case is not settled.

I know we like to settle cases. But we don't want to settle cases and, in effect, prostrate the court system into making an order which is not fair or in the public interest."

61. Heedless of Judge Geernaert's comments the ORG on February 4, 1992 filed the underlying lawsuit, hereinafter Armstrong II, this time seeking $1,700,000.00 in damages. On March 26, 1992 the ORG sought to have ARMSTRONG held in contempt of court for communicating to the media about the litigation after the ORG had itself given an interview to the media and in response to the ORG's public comments about him. Judge Dufficy of the Marin Superior Court, then presiding over the Armstrong II litigation, refused to hear the ORG's effort to have ARMSTRONG found in contempt. The effort, however, demonstrates the ORG's intention: create a scenario in which ARMSTRONG responds to ORG attacks and then have him jailed for his response. Then, pursuant to ORG policy, destroy him utterly.

62. On February 19, 1992 Ford Greene, ARMSTRONG's

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attorney in Armstrong II, wrote ORG attorney Laurie Bartilson requesting that ARMSTRONG's former attorneys in Armstrong I, Michael Flynn, Julia Dragojevic and Bruce Bunch, each of whom were specifically prohibited by contract with the ORG from giving ARMSTRONG a declaration to assist him in his defense of the ORG's lawsuit to enforce the settlement agreement, be released from that prohibition so they could provide him with needed declarations. The ORG refused. On February 24, 1992 Greene wrote Bartilson requesting that the other individuals who had entered into settlement agreements with the ORG, negotiated by the ORG with Flynn in 1986, and who were specifically prohibited from providing ARMSTRONG with a declaration to assist him in his defense of the ORG's lawsuit to enforce the settlement agreement, be released from that prohibition so they could provide him with needed declarations. Even though the ORG had used the fact of the other individuals' settlement agreements being substantially similar to the ARMSTRONG agreement, and cited to and relied on cases involving those individuals' settlements in its lawsuit against ARMSTRONG, the ORG refused to release them from their contract not to assist ARMSTRONG. Instead of acting professionally, decently and humanely, ORG lawyer Bartilson's response was an ad hominem attack on Greene, ARMSTRONG's lawyer. The unfairness of this act of Fair Game caused ARMSTRONG a great despondency.

63. On May 27, 1992 at a hearing on a motion the ORG brought to obtain a preliminary injunction in this case, Los Angeles Superior Court Judge Sohigian stated:

> "The information that's being suppressed in this case, however, is information about extremely blameworthy

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behavior of the [ORG] which nobody owns; it is information having to do with the behavior of a high degree of offensiveness and behavior which is tortious in the extreme. It involved abusing people who are weak. It involves taking advantageous of people who for one reason or another get themselves enmeshed in this extremist view in a way that makes them unable to resist it apparently. There appears to be in the history of [the ORG's] behavior a very, very substantial deviation between [the ORG's] conduct and standards of ordinary, courteous conduct and standards of ordinary honest behavior. They're just way off in a different firmament. [The ORG's] is the kind of behavior which makes you sort of be sure you cut the deck and be sure you've counted all the cards. If you're having a friendly poker game you'd make sure to count all the chips before you dealt any cards."

Despite this scathing indictment of the ORG and its practices, and despite the ORG's knowledge of similar rulings and judgments in Armstrong I, the case of Wollersheim v. Scientology, the case of Allard v. Scientology, the case in England Re B & G Wards, the cases of US v. Hubbard and US v. Kember, and of the blistering articles in the Los Angeles Times in 1990 and Time magzine in 1991, the ORG has not changed one of its spots, but continues to attack ARMSTRONG and its other perceived enemies pursuant to its basic doctrine of Fair Game. The ORG's refusal to change its suppressive and vicious posture toward ARMSTRONG in the face of the massive evidence of its socially repugnant nature is to

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ARMSTRONG terrifying and immobilizing. Judge Sohigian denied the ORG's motion to enforce the settlement agreement in every aspect except for his right to provide testimony in anti-ORG litigation without being first subpoenaed to provide such testimony. The Sohigian ruling left ARMSTRONG free to speak and write freely about the ORG, to provide information to government agencies without the need for a subpoena and to continue to work as a paralegal.

64. Nevertheless, the ORG has over the past several months and continuing after the Sohigian ruling to the present, mounted a campaign to have ARMSTRONG removed from Greene's office, thus denying him a job and the means of defending himself against ORG attacks. ORG lawyers have made threats against him and have attempted to inveigle him into performing actions they could then use to attack him and achieve their goal of his removal from the Greene firm.

65. Within the past week ORG private investigator Eugene Ingram harassed ARMSTRONG's friend Lorien Phippeny at her home. The ORG knows that Ingram is a bully and dishonest, yet sent him to intimidate and upset Phippeny as part of its campaign of Fair Game against ARMSTRONG.

66. Within the past few months ARMSTRONG has learned that MISCAVIGE possessed ARMSTRONG's original artwork and manuscript after they were stolen from ARMSTRONG's car in 1984. MISCAVIGE told Vicki Aznaran that he had ARMSTRONG's artwork and manuscript, and he described ARMSTRONG's works as weird poetry and letters to Hubbard. ORG lawyer John Peterson in 1984, in response to ARMSTRONG's demand at that time for return of his works denied

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that the ORG possessed them. Now ARMSTRONG has the proof and he demands these works' return.

67. The ORG has, for over a decade, waged a campaign of hatred and psychological violence against ARMSTRONG. This campaign has been observed and condemned by courts and the media. The ORG has used ARMSTRONG as a villain to keep its members marching to its hateful tune, spreading lies about him to ORG employees and customers internationally. In 1986 as an act of calculating Fair Game it used ARMSTRONG's lawyer, himself a long time target of Fair Game, to manipulate him into a settlement of his claims against the ORG which was intended to leave him lawyer-less and defenseless so that the ORG's Fair Game efforts against him could continue unopposed. In consummate cynicism the ORG claims its purpose in the settlement was to make peace. The ORG's acts against ARMSTRONG have affected every aspect of his life, taken from him the peace and seclusion he sought and threatened his health, livelihood, friendships and his very existence. These acts must stop.

FIRST CAUSE OF ACTION

(For Declaratory Relief Against All Defendants)

68. Cross-complainant ARMSTRONG realleges paragraphs 1 through 67, inclusive, and incorporates them by reference herein as though fully set forth.

69. An actual controversy has arisen and now exists between ARMSTRONG and CSI concerning their respective rights and duties in that ARMSTRONG contends that the only provisions of the settlement agreement that have any legal force any effect were those whereby he dismissed his cross-complaint in Armstrong I in consideration

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for a sum of money, and that paragraphs 4A, 4B, 7D, 7E, 7G, 7H, 7I, 10, 18D, 18E of the settlement agreement are void as against public policy and should be severed therefrom, and that CSI and its agents are not entitled to breach the settlement agreement while requiring ARMSTRONG to adhere thereto, whereas CSI disputes this contention and contends that it is entitled to enforce all provisions of the settlement agreement against ARMSTRONG notwithstanding the lack of mutuality thereof.

70. ARMSTRONG desires a judicial determination of his rights and duties, and a declaration that the only provisions of the settlement agreement which are valid are those which directly pertain to the dismissal of his cross-complaint in Armstrong I in consideration for the payment of a sum of money, and that paragraphs 4A, 4B, 7D, 7E, 7G, 7H, 7I, 10, 18D, 18E of the settlement agreement should be severed and held not to be legally enforceable because they were designed to suppress evidence and obstruct justice.

71. A judicial declaration is necessary and appropriate at this time under the circumstances in order that ARMSTRONG may ascertain his rights and duties under the settlement agreement.

72. ARMSTRONG is being harmed by the settlement agreement insofar as his First Amendment Rights are curtailed, his ability to freely pursue gainful employment is restricted, and his reputation is being attacked in judicial proceedings which he is unable to counter without risking violation of the settlement agreement.

WHEREFORE, cross-complainant seeks relief as is hereinafter pleaded.

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SECOND CAUSE OF ACTION

(For Abuse Of Process Against All Defendants)

73. Cross-complainant ARMSTRONG realleges paragraphs 1 through 67, inclusive, and incorporates them by reference herein as though fully set forth.

74. Defendants, and each of them, have abused the process of this court in a wrongful manner, not proper in the regular conduct of the proceedings in Armstrong I and in Armstrong II, and in other litigation, to accomplish a purpose for which said proceedings were not designed, specifically, the suppression of evidence, the obstruction of justice, the assassination of cross-complainant's reputation, and retaliation against said cross-complainant for prevailing at trial in Armstrong I, all so as to be able to attack cross-complainant and prevent cross-complainant from being able to take any effective action to protect himself.

75. Defendants, and each of them, acted with an ulterior motive to suppress evidence, obstruct justice, assassinate cross-complainant's reputation, and to retaliate against cross-complainant in said litigations.

76. That defendants, and each of them, have committed willful acts of intimidation, threats, and submission of false and confidential documents not authorized by the process of litigation, and not proper in the regular conduct of litigation.

77. Cross-complainant has suffered damage, loss and harm, including but not limited to his reputation, his emotional tranquillity, and privacy.

78. That said damage, loss and harm was the proximate and legal result of the use of such legal process.

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legal result of the use of such legal process.

WHEREFORE, cross-complainant seeks relief as is hereinafter pleaded.

THIRD CAUSE OF ACTION

(Breach of Contract)

79. Cross-complainant ARMSTRONG realleges paragraphs 1 through 67, inclusive, and incorporates them by reference herein as though fully set forth.

80. CSI, and/or its agents, and/or other Scientology-related entities having engaged in on-going breaches of said settlement agreement by making reference to ARMSTRONG (a) in communications to the press, (b) in filing pleadings and declarations in various litigations.

81. By reason of said breaches of the settlement agreement, ARMSTRONG has been damaged in an amount not presently known but believed to be in excess of the jurisdiction minimum of this Court.

WHEREFORE, plaintiff prays for judgment as follows:

ON THE FIRST CAUSE OF ACTION

1. For a declaration paragraphs 4A, 4B, 7D, 7E, 7G, 7H, 7I, 10, 18D, 18E of the settlement agreement should be severed from the settlement agreement and found to be of no legal force or effect.

2. For damages according to proof.

3. For attorney's fees and costs of suit.

ON THE SECOND CAUSE OF ACTION

1. For general and compensatory damages according to proof.

2. For punitive damages according to proof.

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3. For attorney's fees and costs of suit.

ON THE THIRD CAUSE OF ACTION

1. For compensatory and consequential damages according to proof.

2. For attorney's fees and costs of suit.

ON ALL CAUSES OF ACTION

1. For such other and further relief as the Court may deem just and proper.

Respectfully submitted,

DATED: July 21, 1992

HUB LAW OFFICES

By: _____
FORD GREENE
Attorney for Defendant

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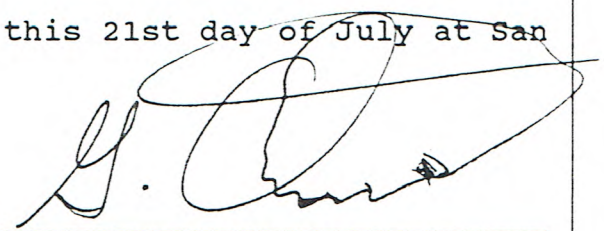
VERIFICATION

I, the undersigned, am one of the defendants in the above entitled action. I know the contents of the foregoing Cross-complaint for declaratory relief, abuse of process and breach of contract. I certify that the same is true of my own knowledge, except as to the matters which are therein stated upon my information and belief, and as to those matters, I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct according to the laws of the State of California and that this declaration was executed on this 21st day of July at San Anselmo, California.



By: _____
GERALD ARMSTRONG

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PROOF OF SERVICE

I am employed in the County of Marin, State of California. I am over the age of eighteen years and am not a party to the above entitled action. My business address is 711 Sir Francis Drake Boulevard, San Anselmo, California. I served the following documents: CROSS-COMPLAINT FOR DECLARATORY RELIEF, ABUSE OF PROCESS AND BREACH OF CONTRACT

on the following person(s) on the date set forth below, by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid to be placed in the United States Mail at San Anselmo, California:

Andrew Wilson, Esquire
WILSON, RYAN & CAMPILONGO
235 Montgomery Street, Suite 450
San Francisco, California 94104

LAURIE J. BARTILSON, ESQ.
Bowles & Moxon
6255 Sunset Boulevard
Suite 2000
Los Angeles, California 90028

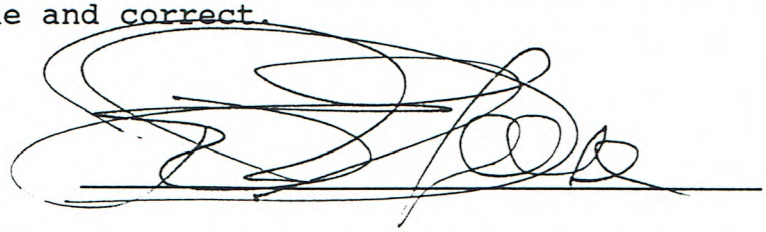
Graham E. Berry, Esquire
LEWIS, D'AMATO, BRISBOIS & BISGAARD
221 North Figueroa Street. Suite 1200
Los Angeles, California 90012

PAUL MORANTZ, ESQ.
P.O. Box 511
Pacific Palisades, CA 90272

[x] (By Mail) I caused such envelope with postage thereon fully prepaid to be placed in the United States Mail at San Anselmo, California.

[x] (State) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

DATED: July 22, 1992



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